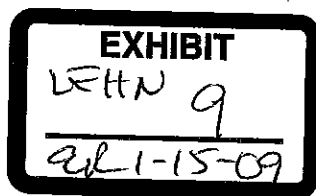


ANDERSON EXHIBIT 20

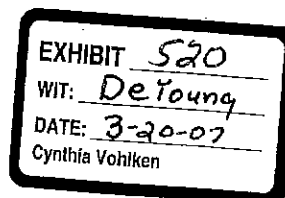
28

FILE NAME:

Ery / Red undgo



TXABT 244823



TXABT 244823



FROM: Bob Rochelle, Asst. Market Manager, Managed Care
DEPT: 0502 BLDG: AP30 EXT: 5-0351

BR

TO: Russ Lehn
Dave Dezelan
Ron Mulcahy
Chris Pavlik
Garry Sparks

DATE: May 19, 1995

RE: 1995/1996 Ery Contracts

Please find attached a draft Ery contract for 1995/1996. In the proposed contract, we have made several changes, some in the body of the contract itself and others to the pricing and tier structure (Exhibit A of the agreement).

While there were many changes to the contract, below I outline for you the broad thrust of those changes. Also, please find attached a price grid which overviews the price and tier changes proposed. I will review all the changes with you at our meeting next Wednesday.

GOALS OF NEW CONTRACT

The goals of the proposed 1995/1996 Antibiotic Contract are as follows:

- Stop the margin bleeding due to dramatic price decreases in the 1994/1995 vs. the previous year;
- Further level the competitive playing field by offering one contract to all chains (in lieu of two separate contracts for large and small chains);
- Further simplify pricing by offering one-performance-tier contracts only;
- Shifting contracts further away from base price incentives (by raising access prices) and increasingly toward performance incentives (by lowering tiers and increasing rebates at those tiers);
- Rationalize the performance tier structure, i.e. set performance tiers so they will be more uniformly and reasonably attainable by accounts;
- Adjust category-specific prices according to category price elasticity, existing Abbott market share, category margin contribution, and break-even analyses; and
- Adjust line item prices to specific products based on feedback from the NAMs.

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ADJUSTMENTS TO CONTRACT

Contract Language

The major contract language changes proposed are as follows:

- Adding Categories Six & Seven (Pediazole and PCE) to the contract;
- Better defining Abbott Product Usage (or market share), specifically how the different data sources are used in these calculations;
- Putting the onus on RBGs, wholesalers, and member stores to properly report data to Abbott; and
- Stipulating the time frame for rebate payments.

Pricing

The major pricing changes proposed are as follows:

- CHAINS: Raising base prices moderately (with the exception of Category 1 where prices stayed level - 36% of all Ery margin flows through this category), and bringing in performance tiers slightly to partially offset base price increases;
- RBGs: Increasing base prices slightly (except in Categories 2 & 4 where prices were raised significantly - RBGs purchased very little product in these categories last semester, and performance is deteriorating), and bringing in performance tiers significantly to partially offset base price increases;
- SMALL CHAINS: Merging the chains into one contract has the effect of decreasing base prices to the small chains from 3% - 24%;
- Rationalizing performance tiers so that in aggregate they are more achievable for all account types;
- Spreading prices between 'premium' and 'economy' products within categories (e.g. Category 5: (a) increasing price for the premium EryPed product, (b) raising the mid-tier EES O/S significantly and (c) lowering ery ethyl succinate somewhat. The net effect is to increase and make more uniform the spread between largely substitutable products within this category). The goal is to reap more margin from category 5 as a whole.

In considering these price adjustments, please remember the following:

- Abbott has not increased list price on any of these items since 1991;
- The ten-year compound annual price increases for these products range from -1.6% to 3.91% (excluding the branded premium product EryPed, this range collapses to -1.56% - 1.16%);
- While CPI 3/94-3/95 was only 2.86%, CoGs on these products ranged between 4-6% '93/94. Annual increases in CoGs such as this cut into margin, yet we have seen little offsetting price increases.
- Last year's effective price decreases were 2% - 9% to the Large Chains and 12% - 26% to the retail buying groups versus previous year. While we cannot regain all lost margin, we can justifiably raise prices slightly. (Despite as much as 26% price decreases, RBGs generally did not increase performance).

I look forward to discussing this with you further Wednesday.

Thank you.

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Overview - Proposed Price and Tier Changes

As a result of the proposed changes, prices and tiers will move for large chains, small chains and retail buying groups.

Base Price Increases (Price Increase Net of Projected Rebates)

	<u>Large</u>	<u>Small</u>	<u>RBG</u>	<u>Net Price Change All Accounts</u>
Cat 1 EryTab	0.0%	-12.7%	3.0%	0.0%
Cat 2 Caps	3.0%	-9.7%	8.0%	3.0%
Cat 3 Stearate	5.0%	-11.1%	4.0%	0.8%
Base	8.0%	-4.0%	6.0%	5.8%
Cat 4 EES	6.0%	-2.6%	8.0%	6.0%
Ery Ethyl	3.0%	-7.0%	0.0%	4.2%
Cat 5 EryPed O/S	5.0%	-5.5%	4.0%	5.0%
EES O/S	7.0%	-15.7%	6.0%	7.0%
Ery Ethyl O/S	2.0%	-23.5%	-2.0%	2.0%

Tiers (Change from previous year)

	<u>Large</u>	<u>Small*</u>	<u>RBG</u>
Cat 1	85% (+10%)	85% (+25% vs. 1st tier)	60% (even w/ 1st tier)
Cat 2	80% (-5%)	80% (+10% vs. 1st tier)	50% (-20% vs. 1st tier)
Cat 3	95% (-5%)	95% (+15% vs. 1st tier)	80% (even w/ 1st tier)
Cat 4	85% (-10%)	85% (+5% vs. 1st tier)	60% (-20% vs. 1st tier)
Cat 5	75% (-10%)	75% (+5% vs. 1st tier)	50% (-20% vs. 1st tier)

*by virtue of being combined with Larges in 1995/1996, Small Chains will now have access to much lower base/access prices.

*5/6
Kickin of 1% + 3% for*

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TXABT 244826

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DRAFT: 5/19/95

Abbott Laboratories
Pharmaceutical Products Division200 Abbott Park Road
Abbott Park, IL 60064-3537**ANTIBIOTIC PURCHASE AGREEMENT**Customer: _____
City/State: _____Customer #: _____
Tax I.D. # (F.E.I.N.) _____
Acct. Mgr.: _____Agreement Term: One (1) Year
(beginning the later of July 1, 1995 or date of signing)

From: ____/____/____ To: 06/30/1996

1. **Purchase and Sale.** Customer shall purchase from Abbott, and Abbott shall sell to Customer, the antibiotic products described in Exhibit A ("Antibiotic Products") upon the terms and conditions of this Agreement. Customer commits to purchase from Abbott, and Abbott commits to sell to Customer, a minimum of Thirty Thousand Dollars (\$30,000) of Antibiotic Products per six-month period of this agreement.
2. **Prices and Delivery.** Prices for Abbott Antibiotic Products are set forth in Exhibit A. Prices shall be firm for the Agreement Term. Direct purchase invoices are discounted 2%/thirty (30) days, net thirty-one (31) days of invoice date. Sixty (60) days extended dating will be granted for orders of \$500 or more. Delivery shall be F.O.B. destination.
3. **Definitions.**
 - (a) **Category One.** All strengths of Abbott EryTab®, E-Mycin®, and all other multi-source Enteric Coated Erythromycin Tablet Products.
 - (b) **Category Two.** Abbott Delayed Release Erythromycin Capsules, ERYC®, and all other multi-source Delayed Release Erythromycin Capsule products.
 - (c) **Category Three.** All strengths of Abbott Erythrocin® Stearate, Abbott Erythromycin Base Filmtab®, and all other multi-source Erythromycin Stearate Tablet products.
 - (d) **Category Four.** All strengths of Abbott EES® tablets, Abbott Erythromycin Ethylsuccinate tablets, and all other multi-source Erythromycin Ethylsuccinate tablet products.
 - (e) **Category Five.** All strengths of Abbott EES® liquids, Abbott EryPed®, Abbott Erythromycin Ethylsuccinate Oral Suspension, and all other multi-source Erythromycin Ethylsuccinate Oral Suspension products.
 - (f) **Category Six.** All sizes of Abbott Pediazole®, Abbott erythromycin / sulfisoxazole, and all other multi-source erythromycin / sulfisoxazole suspension products.
 - (g) **Category Seven.** All strengths of Abbott PCE® tablets, and all other multi-source polymer-coated erythromycin products.
 - (h) **Abbott Product Usage.** The percentage of Customer's unit purchases within a given Category which are Abbott Antibiotic Products as described under paragraph five (5) below. For the purposes of determining Abbott Product Usage, the markets for categories one through seven (1 - 7) are defined in Exhibit D.
 - (i) **Units.** For the purposes of determining Abbott Product Usage, units for categories one (1), two (2), three (3), four (4) and seven (7) shall be based on 'eaches', i.e. tablets, capsules, etc. Units for categories five (5) and six (6) shall be based on milliliters, regardless of product concentration.
 - (j) **Rebates.** The rebates corresponding to Abbott Product Usage as shown in Exhibit A.

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4. **Rebate Payment.** If Abbott Product Usage falls within any of the Rebate levels in Exhibit A, Abbott shall pay the rebate indicated on Exhibit A for all purchases of such Antibiotic Products. These rebates shall be based upon Abbott Product Usage as determined for each of the first and second six month periods of this Agreement. Subject to paragraph five (5), rebates will be calculated using two data sources: (1) Abbott sales data will be used to determine sales of Abbott products in each category; (2) IMS data will be used to determine Abbott Product Usage vis-a-vis competitive product usage in each category.

IMS data will be received by Abbott within 75 days after the end of each six-month period. Abbott will issue rebate payments based on this data no later than 120 days after the end of each six-month period. For those accounts supplying their own data (see paragraph five (5) below), rebate payments, where applicable, will be made no later than 45 days after receipt of data from Customer.

(RBG CONTRACT ONLY: If an independent store belongs to multiple retail buying groups, Abbott will recognize a non-direct product sale for a contract as it is reported by the store's wholesaler, and register that sale to the specific contract reported in the Abbott sales tracking system. It is the responsibility of each retail buying group to assure that their wholesalers report transactions appropriately for their membership).

5. **Provision of Data.** Customer shall sign and provide to Abbott a release in the form of Exhibit B which allows for the provision of data to Abbott from IMS America. Such data shall be used to determine Abbott Product Usage. If Customer does not provide Abbott with the release in Exhibit B, Customer shall supply data directly to Abbott on diskette in the form of Exhibit C. Data record layout shall be provided by Abbott to Customer if this option is selected. (For the purposes of determining Abbott Product Usage, the markets for categories one through seven (1 - 7) are described in Exhibit D).
6. **Product Availability.** Abbott may discontinue marketing any Antibiotic Products or reasonably allocate supply in the event of shortage, and any such action shall not be deemed a breach of this Agreement.
7. **Customer Eligibility.** Products purchased hereunder are restricted for distribution solely to Customer's pharmacies for retail sale to the public. Before contract pricing is made available to Customer, Customer must provide to Abbott a listing of store locations including name, address and DEA number must be provided by Customer. This list must be updated during the contract period as changes occur.
8. **Competition.** Customer represents that the net prices of Antibiotic Products in this Agreement are competitive with those available from competitors of Abbott, and Abbott represents it has offered the net prices herein to meet competition.
9. **Reporting Obligation.** This agreement sets forth the terms of a discount/rebate program. Customer may be obligated by law to report such discounts/rebates to federal or state agencies. See, e.g., U.S. Code of Fed. Regs., Vol. 42, Part 1001.
10. **Additional Terms.** Additional terms and conditions not stated herein are contained in the Abbott Pharmaceutical Products and Ross Products Division Price Catalogs in effect at time of invoice and are subject to change by Abbott without notice.

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11. Term and Termination. This Agreement shall be in effect during the Agreement Term, unless terminated sooner pursuant to the following:

(a) **Breach.** If a party commits a material breach of this Agreement, the non-breaching party may terminate this Agreement upon delivering thirty (30) days prior written notice to the breaching party, unless the breaching party cures the breach during such 30-day period.

(b) **Bankruptcy.** Either party may terminate this Agreement immediately upon delivering written notice to the other party in the event of the bankruptcy or insolvency of the other party.

(c) **Without Cause.** Either party may terminate this Agreement without cause as of the end of any calendar quarter by giving the other party ninety (90) days prior written notice.

The expiration or termination of this Agreement shall not affect any rights and obligations of the parties which have accrued prior to the effective date of such expiration or termination.

12. Books and Records. Customer shall maintain accurate books and records relating to the purchase and sale of all manufacturer's Antibiotic Products. At Abbott's written request, Customer shall make such information available for inspection by Abbott or its designated auditors during regular business hours.

13. Miscellaneous.

(a) **Confidentiality.** Except as otherwise may be required to be disclosed by law, each party shall maintain the confidentiality of the existence of, and all the terms and conditions of, this Agreement throughout the Agreement Term and for a period of three (3) years thereafter.

(b) **Notices.** Any notice required or permitted to be given by either party to the other shall be given in person or sent by first class mail, postage prepaid, addressed to the other party at the address first set forth above or as a party may notify the other in accordance herewith.

(c) **Use of Trademarks, Etc.** Neither party shall use any patented, trade-named, trade-marketed, service-marked or copyrighted material or property belonging to the other party, except as expressly permitted in writing by the other party.

(d) **Force Majeure.** Noncompliance with any obligations hereunder due to force majeure, such as acts of God, laws or regulations of any government, war, civil commotion, destruction of production facilities and materials, fire, earthquake or storm, labor disturbances, shortage of materials, failure of public utilities or common carriers, and any other causes beyond the reasonable control of the parties, shall not constitute breach of contract.

(e) **Assignment and Waiver.** Neither party may assign this Agreement to a third party without the prior written consent of the other party. Any permitted assignee shall assume all obligations of its assignor. No assignment shall relieve a party of any obligations which have accrued prior thereto. If Customer sells all or substantially all its business relating to this Agreement, Customer shall assign this Agreement to the acquiring party, subject to Abbott's consent. Any waiver of a breach of any provision of this Agreement shall not be construed as a waiver of any succeeding breach of such provision or a waiver of the provision itself.

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(f) **Binding Agreement.** This Agreement shall inure to the benefit of and be binding upon each party, its successors and permitted assigns.

(g) **Entire Agreement.** This Agreement along with Exhibits A, B, C and D constitutes the entire agreement of the parties and shall supersede any prior agreements and understandings of the parties with respect to its subject matter. This Agreement may not be amended except upon the written agreement of the parties.

(h) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, exclusive of choice of law provisions.

14. **Acceptance.** This Agreement shall become binding once signed by an authorized representative of Customer and accepted by Abbott at its home office.

Abbott Laboratories
Pharmaceutical Products Division

By: _____
Debbie DeYoung
Manager
Contract Marketing & Major Accounts

Date: _____

Customer: _____

By: _____

Name: _____

Title: _____

Date: _____

Please return both originals of agreement to: Abbott Laboratories, Pharmaceutical Products Division, Dept. 302, Bldg. AP30, 200 Abbott Park Road, Abbott Park, IL 60064. A fully executed original will be returned to you for your files.

PCES000, PCE3330, EryTab®, Erythrocin®, EES® and Eryfed®, and Pediazole® are registered trademarks of Abbott Laboratories.
E-Mydin® is a registered trademark of Bactis Pharmaceuticals, Inc.
ERY® is a registered trademark of Parke-Davis.

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EXHIBIT A: PRICING AND REBATE SCHEDULE

CHAINS

CATEGORY ONE: ENTERIC COATED TABLETS						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 85%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
6304-13	Ery-Tab 250mg	100	\$20.00	\$5.09	75%		\$0.25
6304-53	Ery-Tab 250mg	500	\$95.00	\$24.69	74%		\$1.23
6320-13	Ery-Tab 333mg	100	\$29.45	\$8.72	70%		\$0.44
6320-53	Ery-Tab 333mg	500	\$139.89	\$42.29	70%		\$2.11
6321-13	Ery-Tab 500mg	100	\$33.77	\$13.63	60%		\$0.68
CATEGORY TWO: DELAYED RELEASE CAPSULES						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 80%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
6301-13	Ery DR Capsules	100	\$20.48	\$8.98	56%		\$0.45
6301-53	Ery DR Capsules	500	\$99.82	\$43.56	56%		\$2.18
CATEGORY THREE: STEARATE AND BASE TABLETS						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 85%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
6346-20	Erythrocin Stearate 250mg	100	\$11.58	\$4.91	58%		\$0.20
6346-53	Erythrocin Stearate 250mg	500	\$55.00	\$23.84	57%		\$0.95
6346-19	Erythrocin Stearate 250mg	1000	\$106.70	\$46.19	57%		\$1.85
6316-13	Erythrocin Stearate 500mg	100	\$20.93	\$11.04	47%		\$0.44
6326-13	Ery Base Filmtab 250mg	100	\$11.75	\$5.05	57%		\$0.10
6326-53	Ery Base Filmtab 250mg	500	\$55.81	\$24.52	56%		\$0.49
6227-13	Ery Base Filmtab 500mg	100	\$21.56	\$11.28	48%		\$0.23
CATEGORY FOUR: ETHYLSUCCINATE TABLETS						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 85%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
5729-13	E.E.S. 400 Filmtab	100	\$18.46	\$11.68	37%		\$0.58
5729-53	E.E.S. 400 Filmtab	500	\$87.68	\$58.66	35%		\$2.83
5729-19	E.E.S. 400 Filmtab	1000	\$159.64	\$109.81	31%		\$5.49
2589-13	Uncoated Ery Ethyl 400	100	\$18.46	\$9.29	50%		\$0.46
2589-53	Uncoated Ery Ethyl 400	500	\$87.68	\$45.06	49%		\$2.25
CATEGORY FIVE: ETHYLSUCCINATE LIQUIDS, GRANULES, AND ORAL SUSPENSION						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 75%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
6306-16	E.E.S. 200 Liquid	Pint	\$16.50	\$8.51	48%		\$0.43
6373-16	E.E.S. 400 Liquid	Pint	\$30.73	\$15.84	48%		\$0.79
6369-02	E.E.S. Granules	100ml	\$6.66	\$5.25	21%		\$0.26
6369-10	E.E.S. Granules	200ml	\$12.15	\$9.59	21%		\$0.48
3747-16	Ery Ethyl 200 Liquid	Pint	\$16.50	\$6.07	63%		\$0.30
3748-16	Ery Ethyl 400 Liquid	Pint	\$30.73	\$13.06	58%		\$0.65
6302-13	EryPed 200	100ml	\$6.48	\$5.02	23%		\$0.25
6302-53	EryPed 200	200ml	\$11.81	\$9.12	23%		\$0.48
6305-60	EryPed 400	60ml	\$6.55	\$5.06	23%		\$0.46
6305-13	EryPed 400	100ml	\$9.98	\$7.89	21%		\$0.39
6305-53	EryPed 400	200ml	\$18.21	\$14.39	21%		\$0.72
CATEGORY SIX: ERYTHROMYCIN / SULFISOXAZOLE						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 70% 90%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		
7156-13	Erythromycin / sulfisoxazole	100ml	\$10.75	\$4.25	60%	\$0.13	\$0.21
7156-43	Erythromycin / sulfisoxazole	150ml	\$15.90	\$6.25	61%	\$0.19	\$0.31
7156-53	Erythromycin / sulfisoxazole	200ml	\$20.90	\$8.25	61%	\$0.25	\$0.41
8030-13	Pediazole	100ml	\$13.49	\$7.15	47%	None	None
8030-43	Pediazole	150ml	\$20.05	\$10.65	47%	None	None
8030-53	Pediazole	200ml	\$26.32	\$13.90	47%	None	None
8030-73	Pediazole	250ml	\$32.41	\$17.25	47%	None	None
CATEGORY SEVEN: PCE						ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 85%	
LIST-TUC	PRODUCT	SIZE	LIST				
3584-13	PCE 500	100	\$125.05				\$6.25

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EXHIBIT A: PRICING AND REBATE SCHEDULE

R365

CATEGORY ONE: ENTERIC COATED TABLETS							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 60%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST			
6304-13	Ery-Tab 250mg	100	\$20.00	\$6.45	68%			\$1.61
6304-53	Ery-Tab 250mg	500	\$95.00	\$31.29	67%			\$7.83
6320-13	Ery-Tab 333mg	100	\$29.45	\$10.25	65%			\$1.97
6320-53	Ery-Tab 333mg	500	\$139.89	\$49.71	64%			\$9.53
6321-13	Ery-Tab 500mg	100	\$33.77	\$14.30	58%			\$1.35
CATEGORY TWO: DELAYED RELEASE CAPSULES							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 50%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST			
6301-13	Ery DR Capsules	100	\$20.48	\$10.75	48%			\$2.22
6301-53	Ery DR Capsules	500	\$99.82	\$52.15	48%			\$10.77
CATEGORY THREE: STEARATE AND-BASE TABLETS							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 80%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST			
6346-20	Erythrocin Stearate 250mg	100	\$11.58	\$5.97	48%			\$1.26
6346-53	Erythrocin Stearate 250mg	500	\$55.00	\$28.99	47%			\$6.10
6346-19	Erythrocin Stearate 250mg	1000	\$106.70	\$56.16	47%			\$11.82
6316-13	Erythrocin Stearate 500mg	100	\$20.93	\$11.60	45%			\$1.00
6326-13	Ery Base Filmtab 250mg	100	\$11.75	\$5.71	51%			\$0.76
6326-53	Ery Base Filmtab 250mg	500	\$55.81	\$27.72	50%			\$3.69
6227-13	Ery Base Filmtab 500mg	100	\$21.56	\$11.64	46%			\$0.59
CATEGORY FOUR: ETHYLSUCCINATE TABLETS							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 60%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST			
5729-13	E.E.S. 400 Filmtab	100	\$18.46	\$12.95	30%			\$1.85
5729-53	E.E.S. 400 Filmtab	500	\$87.68	\$62.82	28%			\$8.99
5729-19	E.E.S. 400 Filmtab	1000	\$159.64	\$121.75	24%			\$17.43
2589-13	Uncoated Ery Ethyl 400	100	\$18.46	\$9.99	46%			\$1.16
2589-53	Uncoated Ery Ethyl 400	500	\$87.68	\$48.46	45%			\$5.65
CATEGORY FIVE: ETHYLSUCCINATE LIQUIDS, GRANULES, AND ORAL SUSPENSION							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 50%	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST			
6306-16	E.E.S. 200 Liquid	Pint	\$16.50	\$10.55	36%			\$2.47
6373-16	E.E.S. 400 Liquid	Pint	\$30.73	\$20.25	34%			\$5.20
6369-02	E.E.S. Granules	100ml	\$6.66	\$5.79	13%			\$0.80
6369-10	E.E.S. Granules	200ml	\$12.15	\$10.58	13%			\$1.47
3747-16	Ery Ethyl 200 Liquid	Pint	\$16.50	\$7.79	53%			\$2.02
3748-16	Ery Ethyl 400 Liquid	Pint	\$30.73	\$16.76	45%			\$4.35
6302-13	EryPed 200	100ml	\$6.48	\$5.52	15%			\$0.75
6302-53	EryPed 200	200ml	\$11.81	\$10.06	15%			\$1.40
6305-60	EryPed 400	60ml	\$6.55	\$5.56	15%			\$0.96
6305-13	EryPed 400	100ml	\$9.98	\$8.67	13%			\$1.17
6305-53	EryPed 400	200ml	\$18.21	\$15.81	13%			\$2.14
CATEGORY SIX: ERYTHROMYCIN /SULFISOXAZOLE							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN:	
LIST-TUC	PRODUCT	SIZE	LIST	PRICE	% OFF LIST		70%	90%
7156-13	Erythromycin /sulfisoxazole	100ml	\$10.75	\$5.38	50%		\$1.26	\$1.34
7156-43	Erythromycin /sulfisoxazole	150ml	\$15.90	\$7.95	50%		\$1.89	\$2.01
7156-53	Erythromycin /sulfisoxazole	200ml	\$20.90	\$10.45	50%		\$2.45	\$2.61
8030-13	Pediazole	100ml	\$13.49	\$7.15	47%		None	None
8030-43	Pediazole	150ml	\$20.05	\$10.65	47%		None	None
8030-53	Pediazole	200ml	\$26.32	\$13.90	47%		None	None
8030-73	Pediazole	250ml	\$32.41	\$17.25	47%		None	None
CATEGORY SEVEN: PCE							ADDITIONAL REBATE FOR ABBOTT PRODUCT USAGE: GREATER THAN 65%	
LIST-TUC	PRODUCT	SIZE	LIST					
3389-13	PCE 500	100	\$125.05					\$6.25

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TXABT 244832

TXABT 244832

EXHIBIT B

AGREEMENT FOR THE RELEASE OF DATA

The undersigned, on behalf of _____ ("Customer"), authorizes IMS to release Sales Data to Abbott Laboratories ("Abbott") according to the terms of this Release. Release shall be valid for the term of the Abbott Antibiotic Purchase Agreement.

The Sales Data provided to Abbott will consist of Customer's sales of Abbott Antibiotic Products and designated competitive products at the National Level. IMS will provide Sales Data to Abbott only as a processed composite so that the sales volumes for individual competitive products are not determinable. This release only authorizes Abbott to make the Sales Data available to Abbott home office personnel only for use in Abbott's determination of Abbott Product Usage.

Customer may terminate this Release at any time with or without cause by giving IMS thirty (30) days prior written notice of Customer's intention to terminate.

(Customer)

By: _____

Name: _____

Title: _____

Date: _____

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TXABT 244833

TXABT 244833

EXHIBIT C

DATA REPORTING FORM

<u>Category</u>	<u>"A"</u> <u>Abbott</u>	<u>"B"</u> <u>Other</u>	<u>"C"</u> <u>Total</u>	<u>"D"</u> <u>Percent</u>
One	_____	_____	_____	_____
Two	_____	_____	_____	_____
Three	_____	_____	_____	_____
Four	_____	_____	_____	_____
Five	_____	_____	_____	_____
Six	_____	_____	_____	_____
Seven	_____	_____	_____	_____

Where:

- A = Total Unit Purchases of Abbott Antibiotic Products direct or through a wholesaler, as defined in Definitions, paragraph 3 (i) on Page 1 (Categories 1 - 4 and 7 based on 'eaches', i.e. tablets or capsules, categories 5 and 6 based on milliliters).
- B = Total Unit Purchases of all other antibiotic products, as defined in Definitions, paragraph 3 (i) on Page 1 (Categories 1 - 4 and 7 based on 'eaches', i.e. tablets or capsules, categories 5 and 6 based on milliliters).
- C = Total of A and B.
- D = Column A divided by Column C multiplied by 100 ("Abbott Product Usage").

For the purposes of determining Abbott Product Usage, the markets for categories one through seven (1 - 7) are described in Exhibit D.

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TXABT 244834

TXABT 244834

EXHIBIT D

For the purposes of determining Abbott Product Usage, the markets for categories one through seven (1 - 7) are described below.

NOT AVAILABLE AS OF MAY 18, 1995. (10-page list of NDC #s will be provided to you with final contract).

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TXABT 244835

TXABT 244835

RBG Mail Program

- **Objective: Influence RBG member pharmacies to order Abbott Erythromycin**
- **Direct to pharmacy mailer**
 - Ery price list
 - Abbott Letter
 - RBG Letter?
- **Next Steps**
 - Identify RBG targets
 - Obtain customer buy-in
 - Obtain Order/SKU #'s if applicable
 - Obtain RBG to pharmacy prices

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TXABT 244836

TXABT 244836

15:06 Monday, August 14, 1995 1

PHARMACEUTICAL PRODUCTS DIVISION
COUNTS OF CUSTOMERS IN EACH RETAIL BUYING GROUP
REQUEST #CPNE01

DBS	BUYING GROUP NUMBER	BUYING GROUP NAME	NUMBER OF MEMBERS
1	G9407701	ADVANTAGE PHARMACY	894
2	G9507901	AFILIATED BUYING	146
3	G9219001	ALBERTSONS	4
4	G9330201	ALLSCRIPTS	2
5	G8401702	AMERICAN DRUG STOR	13
6	G9416701	ARBOR DRUG	1
7	G9416805	BIG B	437
8	G9418001	BIG BEAR	56
9	G9434003	BRUNICK PREFERRED	152
10	G9327201	CAROLINA ALLIED	493
11	G9426301	CENTISBLE	115
12	G9515301	COMMUNITY IND PHCY	48
13	G9425901	COURTESY DRUGS	19
14	G9417203	DISCOUNT DRUG MART	1
15	G9325901	DOMINICKS	71
16	G9016305	DRUG EMPORIUM	263
17	G9424303	F & M	106
18	G9320901	FAMILY PHARMACIES	1963
19	G9405401	FAMILY VALUE	402
20	G9411501	FARM FRESH	45
21	G9217801	FRED MEYER	30
22	G9501201	FREDS PHARMACY	1
23	G9424301	FRUTH	18
24	G9417205	GENPHARM DISTRIBUT	1
25	G9131101	GIANT EAGLE	99
26	G9415703	GIANT FOOD	1
27	G9433303	GOOD NEIGHBOR	3187
28	G9432001	HAPPY HARRYS DISC	14
29	G9424201	HARCO DRUG	135
30	G9417201	HE BUTT	9
31	G9421001	HEALTH SOURCE PRCH	778
32	G9435501	HEALTHMART	757
33	G9401202	HI-SCHOOL PHARMACY	80
34	G9502501	IND PHARMACY COOP	860
35	G9505101	IND PHARMACIST COOP	159
36	G8105701	JACK ECKERD	11
37	G9417207	K & B	4
38	G9417209	KERR DRUG	6
39	G9400801	KEYSTONE WHOLESALE	10
40	G9007501	KNART	1671
41	G9420803	LEADER DRUG STORES	1196
42	G9434005	LEGEND/SHAREHOLDER	107
43	G9416705	LDNGS DRUG STORE	341
44	G9424901	MAJOR VALUE	196
45	G9334301	MARC GLASSMAN	36
46	G9205502	MARK STEVENS	5
47	G9432003	MAXIDRUG INC.	1
48	G9426901	MED PLUS PHCY	98
49	G9417901	MEDIC DISCOUNT DRG	31
50	G9429801	MEDICAP PHARMACY	122
51	G9308001	MEDICINE SHOPPE	1088
52	G9312001	MEIJER THRIFTY ACRE	102

TXABT 244837

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TXABT 244837

15:06 Monday, August 14, 1995 2

PHARMACEUTICAL PRODUCTS DIVISION
COUNTS OF CUSTOMERS IN EACH RETAIL BUYING GROUP
REQUEST #CPMBQ1

QBS	BUYING GROUP NUMBER	BUYING GROUP NAME	NUMBER OF MEMBERS
53	G9407703	NORTHEAST PHARMACY	645
54	G9335501	PACE	3173
55	G9103002	PAYLESS/THRIFT	1004
56	G9417101	PERRY DRUG STORES	240
57	G9016303	PHAR-MOR	294
58	G9328801	PHARM BUS ASSOC	3153
59	G9513801	PHARMACY TECHNOLOG	2
60	G9501101	PHARMOGEN PHARMCS	116
61	G9434201	PREFERRED PLUS	865
62	G9318901	QUALITY CARE PHARM	1
63	G9416801	RACK RITE/RITE AID	1886
64	G9506901	RAINBOW OF VALUE	649
65	G9401201	RANDALLS	11
66	G8450403	REVCO DRUGS	2007
67	G9404501	RXMED	560
68	G9417103	SAFEWAY	399
69	G9417301	SCHNUCKS MARKETS	6
70	G9419301	SERVALL	544
71	G9427901	SHOPKO	126
72	G9300701	SMITHS PHARMACY	82
73	G9321601	SNYDER DRUG	48
74	G9217803	SUPERMARKET GENERL	192
75	G9421701	SUPERVALUE PHARM	0
76	G9417501	TAYLOR DRUG STORE	35
77	G8425801	THE KROGER CORP	11
78	G9420701	THRIFT (MCKESSON)	33
79	G8619601	THRIFT DRUG CO.	462
80	G9434001	VALUE MOST	404
81	G9334303	VALUE-RITE	5177
82	G9433301	WAKEFERN FOOD CORP	111
83	G9416803	WAL-MART	16
84	G8413501	WALGREEN DRUG STOR	57
85	G9321401	WEGMANS PHARMACIES	3
86	G9428001	YOUNGFELLOW DRUG	33

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TXABT 244838

TXABT 244838

REMEMBER....

Special (YOUR NAME HERE)
Pricing on the
Abbott Family
of Erythromycin
Products



YOUR SKU # HERE	NDG 00074	Abbott Erythromycin Product	Package Size	AWP	Your Low Price
5729-13		E.E.S. 400* Filmlab	100	\$ 21.92	
5729-53		E.E.S. 400* Filmlab	500	104.12	
5729-19		E.E.S. 400* Filmlab	1000	189.57	
2589-13		Uncoated Ery Ethyl 400	100	21.92	
2589-53		Uncoated Ery Ethyl 400	500	104.12	
6290-60		PCE* 333	60		
3389-13		PCE* 500	100		
6304-13		Ery-Tab* 250 mg	100	23.75	
6304-53		Ery-Tab* 250 mg	500	112.81	
6320-13		Ery-Tab* 333 mg	100	34.37	
6320-53		Ery-Tab* 333 mg	500	166.12	
6321-13		Ery-Tab* 500 mg	100	40.10	
6301-13		Erythromycin Capsules 250 mg	100	24.32	
6301-53		Erythromycin Capsules 250 mg	500	118.54	
6326-13		Erythromycin Base 250 mg	100	13.95	
6326-53		Erythromycin Base 250 mg	500	66.27	
6227-13		Erythromycin Base 500 mg	100	25.61	
6346-20		Erythrocin* Stearate 250 mg	100	13.75	
6346-53		Erythrocin* Stearate 250 mg	500	66.31	
6346-19		Erythrocin* Stearate 250 mg	1000	126.70	
6316-13		Erythrocin* Stearate 500 mg	100	24.85	
6306-16		E.E.S.* 200 Liquid	plnt	19.59	
6373-16		E.E.S. 400* Liquid	plnt	36.49	
6369-02		E.E.S.* Granules 200 mg	100 ml	7.91	
6369-10		E.E.S.* Granules 200 mg	200 ml	14.43	
3747-16		Ery Ethyl 200 Liquid	plnt	19.59	
3748-16		Ery Ethyl 400 Liquid	plnt	36.49	
6302-13		EryPed* 200	100 ml	7.70	
6302-53		EryPed* 200	200 ml	14.03	
6305-60		EryPed* 400	60 ml	7.78	
6305-13		EryPed* 400	100 ml	11.85	
6305-53		EryPed* 400	200 ml	21.62	
7156-13		Erythromycin/sulfisoxazole	100 ml	10.75	
7156-43		Erythromycin/sulfisoxazole	150 ml	15.90	
7156-53		Erythromycin/sulfisoxazole	200 ml	20.90	
8030-13		Pediazole	100 ml	13.49	
8030-43		Pediazole	150 ml	20.05	
8030-53		Pediazole	200 ml	26.32	
8030-73		Pediazole	250 ml	32.41	

 **Abbott Laboratories** The Erythromycin Company

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TXABT 244839

TXABT 244839

RBG Mail Program

- **Objective: Influence RBG member pharmacies to order Abbott Erythromycin**
- **Direct to pharmacy mailer**
 - Ery price list
 - Abbott Letter
 - RBG Letter?
- **Next Steps**
 - Identify RBG targets
 - Obtain customer buy-in
 - Obtain Order/SKU #'s if applicable
 - Obtain RBG to pharmacy prices

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TXABT 244840

TXABT 244840

15:06 Monday, August 14, 1995

PHARMACEUTICAL PRODUCTS DIVISION
COUNTS OF CUSTOMERS IN EACH RETAIL BUYING GROUP
REQUEST #CPMB01

DBS	BUYING GROUP NUMBER	BUYING GROUP NAME	NUMBER OF MEMBERS
1	G9407701	ADVANTAGE PHARMACY	894
2	G9507901	AFFILIATED BUYING	146
3	G9219001	ALBERTSONS	4
4	G9300201	ALLSCRIPTS	2
5	G8401702	AMERICAN DRUG STOR	13
6	G9416701	ARBOR DRUG	1
7	G9416805	BIG B	437
8	G9418001	BIG BEAR	56
9	G9434003	BRUDNICK PREFERRED	152
10	G9327201	CAROLINA ALLIED	483
11	G9426303	CENTSIBLE	115
12	G9515301	COMMUNITY IND PHCY	48
13	G9425901	COURTESY DRUGS	19
14	G9417203	DISCOUNT DRUG MART	1
15	G9325901	DOMINICKS	71
16	G9016805	DRUG EMPORIUM	263
17	G9424303	F & M	106
18	G9320901	FAMILY PHARMACIES	1963
19	G9405401	FAMILY VALUE	402
20	G9411501	FARM FRESH	45
21	G9217801	FRED MEYER	30
22	G9501201	FREDS PHARMACY	1
23	G9424301	FRUTH	18
24	G9417205	GENPHARM DISTRIBUT	3
25	G9131101	GIANT EAGLE	99
26	G9416703	GIANT FOOD	1
27	G9433303	GOOD NEIGHBOR	3187
28	G9432001	HAPPY HARRY'S DISC	14
29	G9424201	HARCO DRUG	136
30	G9417201	HE BUTT	9
31	G9421001	HEALTH SOURCE PRCH	778
32	G9435501	HEALTHMART	767
33	G9401202	HI-SCHOOL PHARMACY	80
34	G9502501	IND PHARMACY COOP	860
35	G9505101	IND PHARMACIST COOP	159
36	G9105701	JACK ECKERD	11
37	G9417207	K & B	4
38	G9417209	KERR DRUG	6
39	G9400601	KEYSTONE WHOLESALE	10
40	G9007501	KMART	1671
41	G9420803	LEADER DRUG STORES	1196
42	G9434005	LEGEND/SHAREHOLDER	107
43	G9416705	LONGS DRUG STORE	341
44	G9424901	MAJOR VALUE	136
45	G9334301	MARC GLASSMAN	36
46	G9205602	MARK STEVENS	5
47	G9432003	MAXIDRUG INC.	1
48	G9426901	MED PLUS PHCY	98
49	G9417901	MEDIC DISCOUNT DRG	31
50	G9423801	MEDICAP PHARMACY	122
51	G9309001	MEDICINE SHOPPE	1098
52	G9312001	MEIJER THRIFY ACRE	102

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TXABT 244841

TXABT 244841

15:06 Monday, August 14, 1995 2

PHARMACEUTICAL PRODUCTS DIVISION
COUNTS OF CUSTOMERS IN EACH RETAIL BUYING GROUP
REQUEST #CPNE01

OBS	BUYING GROUP NUMBER	BUYING GROUP NAME	NUMBER OF MEMBERS
53	G9407703	NORTHEAST PHARMACY	645
54	G9335501	PACE	3173
55	G9103002	PAYLESS/THRIFT	1004
56	G9417101	PERRY DRUG STORES	240
57	G9016303	PHAR-MOR	294
58	G9328801	PHARM BUS ASSOC	3153
59	G9513801	PHARMACY TECHNOLOG	2
60	G9501101	PHARMOGEN PHARMCS	116
61	G9434201	PREFERRED PLUS	865
62	G9318901	QUALITY CARE PHARM	1
63	G9416801	RACK RITE/RITE AID	1886
64	G9506901	RAINBOW OF VALUE	649
65	G9401201	RANDALLS	11
66	G8430403	REVCO DRUGS	2007
67	G9404501	RXMED	560
68	G9417103	SAFEWAY	399
69	G9417301	SCHNUCKS MARKETS	6
70	G9419301	SERVALL	544
71	G9427901	SHOPKO	126
72	G9300701	SMITHS PHARMACY	82
73	G9321601	SNYDER DRUG	48
74	G9217803	SUPERMARKET GENERL	192
75	G9421701	SUPERVALUE PHARM	0
76	G9417501	TAYLOR DRUG STORE	35
77	G8425801	THE KROGER CORP	11
78	G9420701	THRIFT (MCKESSON)	33
79	G8619801	THRIFT DRUG CO.	462
80	G9434001	VALUE MOST	404
81	G9334303	VALUE-RITE	5177
82	G9433301	WAKEFERN FOOD CORP	111
83	G9416803	WAL-MART	16
84	G8418501	WALGREEN DRUG STOR	57
85	G9321401	WEGMANS PHARMACIES	3
86	G9428001	YOUNGFELLOW DRUG	33
		*****	38741

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TXABT 244842

TXABT 244842

REMEMBER....

Special (YOUR NAME HERE)
Pricing on the
Abbott Family
of Erythromycin
Products



YOUR SKU # HERE	NDC- 00074	Abbott Erythromycin Product	Package Size	AWP	Your Low Price
	5729-13	E.E.S. 400* Filmtab	100	\$ 21.92	
	5729-53	E.E.S. 400* Filmtab	500	104.12	
	5729-19	E.E.S. 400* Filmtab	1000	189.57	
	2589-13	Uncoated Ery Ethyl 400	100	21.92	
	2589-53	Uncoated Ery Ethyl 400	500	104.12	
	6290-60	PCE* 333	60		
	3389-13	PCE* 500	100		
	6304-13	Ery-Tab* 250 mg	100	23.75	
	6304-53	Ery-Tab* 250 mg	500	112.81	
	6320-13	Ery-Tab* 333 mg	100	34.97	
	6320-53	Ery-Tab* 333 mg	500	166.12	
	6321-13	Ery-Tab* 500 mg	100	40.10	
	6301-13	Erythromycin Capsules 250 mg	100	24.32	
	6301-53	Erythromycin Capsules 250 mg	500	118.54	
	6326-13	Erythromycin Base 250 mg	100	13.95	
	6326-53	Erythromycin Base 250 mg	500	66.27	
	6227-13	Erythromycin Base 500 mg	100	25.61	
	6346-20	Erythrocin* Stearate 250 mg	100	13.75	
	6346-53	Erythrocin* Stearate 250 mg	500	65.31	
	6346-19	Erythrocin* Stearate 250 mg	1000	126.70	
	6316-13	Erythrocin* Stearate 500 mg	100	24.85	
	6306-16	E.E.S.* 200 Liquid	pint	19.59	
	6373-16	E.E.S.400* Liquid	pint	36.49	
	6369-02	E.E.S.* Granules 200 mg	100 ml	7.91	
	6369-10	E.E.S.* Granules 200 mg	200 ml	14.43	
	3747-16	Ery Ethyl 200 Liquid	pint	19.59	
	3748-16	Ery Ethyl 400 Liquid	pint	36.49	
	6302-13	EryPed* 200	100 ml	7.70	
	6302-53	EryPed* 200	200 ml	14.03	
	6305-60	EryPed* 400	60 ml	7.78	
	6305-13	EryPed* 400	100 ml	11.85	
	6305-53	EryPed* 400	200 ml	21.62	
	7156-13	Erythromycin/sulfisoxazole	100 ml	10.75	
	7156-43	Erythromycin/sulfisoxazole	150 ml	15.90	
	7156-53	Erythromycin/sulfisoxazole	200 ml	20.90	
	8030-13	Pediazole	100 ml	13.49	
	8030-43	Pediazole	150 ml	20.05	
	8030-53	Pediazole	200 ml	26.32	
	8030-73	Pediazole	250 ml	32.41	

 **Abbott Laboratories** The Erythromycin Company

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TXABT 244843

TXABT 244843